

**Utah Insurance Department  
Content Standards  
Individual Term Life Insurance**

NOTE: These Standards are provided to assist the insurer in filing forms and rates. They are not intended to be all inclusive and are a work in progress. References beginning with "31A" refer to the insurance code as part of Utah Code Annotated (U.C.A.) and those beginning with "R590" refer to department rules as part of the Utah Administrative Code (U.A.C.). The comments are a brief synopsis of the referenced material and do not contain all requirements or exceptions. All references should be reviewed for compliance. **As required by U.C.A. § 31A-21-201(2), the insurer is responsible for assuring that forms and rates submitted are in compliance with the Utah Insurance Code and Rules.**

GENERAL REQUIREMENTS		
Accurate, Consistent & Complete Filing Data	31A-2-202(6) R590-226-5	All filing information and data must be accurate, complete and consistent within all filing documents. The data page must contain amounts consistent with the actuarial memorandum and demonstration of values. Failure to comply may subject the insurer to enforcement penalties under 31A-2-308.
Annual Percentage Rate (APR)	31A-21-201(3)	An annual percentage rate (APR) in connection with the premium creates the appearance of a loan. This is a misleading practice and not in the public interest.
Application	31A-21-201(3) R590-93	An application must identify the insurer's name and address; must contain a replacement statement to be signed by the applicant and a statement to be signed by the agent. The application may not contain vague health questions without a time limit.
Arbitration	31A-21-314 R590-122 Bulletin 96-8	An arbitration provision must be properly disclosed in the policy, certificate, application and enrollment forms and must be in compliance with law and rules.
Assignment	31A-22-412	An assignment provision must allow the owner of any rights in the policy to assign any of those rights.
Autopsy & Physical Exam	31A-22-417	Autopsy and/or physical examination is at the company's expense.
Claims Settlement	31A-26-301(1) R590-191-4 R590-191-5	All proceeds and claims settlement provisions must be in compliance with U.C.A. § 31A-26-301(1) and R590-191-4 that establishes the minimum standards for prompt claim handling and requires that the company must act within 15 days of receipt of due proof of the death; and R590-191-5 requires payment of interest if the claim is not settled within 15 days of completion of the investigation.
Conversion	31A-21-201(3)	A policy that is convertible shall contain a provision describing the conditions of the conversion option.
Coverage Name, Description & Special Features	31A-21-201(3)(a)	The coverage name or title, a brief description of the coverage and any special features must be disclosed on the policy cover; i.e. Term to 95, etc.
Data Page	R590-226-7	The data page must disclose the specific data for the coverage including the benefits, amounts, durations, premium information, and any other benefit data applicable to the insured. All filing data must be consistent with the actuarial memorandum and other filing documents.
Death Benefit	31A-21-201(3)	The policy must clearly describe the death benefit and how the proceeds are determined.
Death Benefit Exclusions	31A-21-201(3)	Exclusions such as war, participation in a riot, commission or attempt to commit a felony or assault are not allowed in a life insurance policy. Life insurance policies insure against the loss of life and therefore, such exclusions are not in the public interest. On an individual issue basis, a war exclusion endorsement may be added to a policy with consent of the policyholder.
Deferral of Surrender Value	31A-22-408(2) R590-98	The right to defer surrender value, if any, for six months <u>with consent of the commissioner</u> must be in the policy.
Entire Contract Provision	31A-22-424	Entire contract provision must define the documents and agreements that constitute the entire contract.
Examination Period	31A-22-423	An examination period of 10 days for new issues and 20 days for replacement policy is required. A refund of premium is required upon return of the policy within the examination period.
Expiry Date, Renewal Dates	31A-21-301(1)(f)	The expiration date and any renewal dates must be clearly described.
Filing of Forms	31A-21-201 R590-226-5 R590-226-7	Forms are accepted on a "FILE AND USE" basis. It is the insurer's responsibility that the filing is in compliance with Utah law and rules.

Grace Period	31A-22-402	Grace period entitles the policyholder to at least a 31-day grace period during which the policy continues in full force.
Illustration or Projection	31A-21-201(3)(a) R590-177-10	When the policy is illustrated, the illustration provision allows for one free illustration per year.
Incontestability	31A-22-403	Incontestability provision states that the policy is incontestable after it has been in force during the lifetime of the insured for a period of two years. The code does not allow an exception for fraud. A survivor policy is incontestable after it has been in force during the lifetime of the surviving insured for a period of two years.
Incorporation by Reference	31A-21-106 Bulletin 96-9	Except as provided in 31A-21-106(1)(b), no policy may contain any agreement or incorporate any provision not fully set forth in the policy.
Insurer Name	31A-21-201(3)(a)(iii) 31A-21-301(1)(a)	The exact name of the insurer, the administrative office address, and state of domicile must be identified conspicuously on the policy.
Limitation of Actions	31A-21-313 31A-21-314	Such provisions may not restrict the time for beginning an action to earlier than 60 days and no more than three years from the date the cause of action accrues. The provision may not deny Utah courts of jurisdiction. The provision cannot prescribe in what court an action may be brought.
Misstatement of Age and/or Sex	31A-22-405	Policy must state that if the age and/or sex of the insured is misstated in an application and the error is not adjusted during the person's lifetime, the amount payable is what the premium paid would have purchased at the correct age and/or sex. The code does not allow for an adjustment due to misstatement of a rating class for tobacco use or for smoking status.
Payment of Values	R590-98	A request for payment of values must be processed within the allowable time limits.
Premiums	31A-21-302	Premiums for the policy and for each rider must be clearly disclosed separately on the data pages. Policy fees and charges must be disclosed separately. A non-illustrated policy may only contain guaranteed premiums.
Premium Adjustment Provision	31A-21-301(3) R590-177	If the policy allows for premiums to be adjusted, then the policy must include an adjustment provision describing the criteria the company will follow if premiums are adjusted.
Proof of Loss	31A-21-312	Proof of loss provision allows the insured or claimant to file the notice and/or proof of loss as soon as reasonably possible. Failure to file within the time specified does not invalidate a claim if the insured or claimant shows that it was not reasonably possible to file within the time specified and that notice and/or proof was filed as soon as reasonably possible. The provision <u>may not</u> state that in no event, except in the absence of legal capacity, may proof be filed later than the time proof is otherwise required.
Reinstatement	31A-22-407 R590-108	Policy allows reinstatement within three years of the date of premium default
Renewability	31A-21-301(3)	A policy that is renewable shall state the conditions of Renewability. The policy must contain a schedule of guaranteed premiums for the renewal periods.
Settlement Options	31A-22-406	If the policy provides that proceeds may be payable in installments that are determinable at the issue of the policy then it shall provide a table showing the amounts and intervals of the installments.
Suicide Exclusion	31A-1-301 31A-22-404	Suicide is only allowed as a defense to a claim during the first two years from the date coverage is effective and for the two years after an increase in coverage. The policy must provide for return of premium paid.
Unfair, Misleading, Deceptive Provisions.	31A-21-201(3)(a)	Forms may not be inequitable, unfairly discriminatory, misleading, deceptive, obscure, unfair, encourage misrepresentation, or not in the public interest. The policy may not contain inconsistent, ambiguous or misleading clauses.
Variability - (bracketed data)	31A-21-201 R590-226-6 R590-226-7	Any information that is variable must be bracketed and must be explained in a statement of variability. Any change in the items contained within the brackets must be refiled prior to use.
<b>MARKETING and DISCLOSURE FORMS</b>		
Basic Life Illustration	R590-177	Basic Life Illustration complies with the requirements of the rule.
Statement of Policy Cost and Benefit Information	R590-79-4 R590-79-6	Statement of Policy Cost and Benefit Information contains ONLY guaranteed items, such as premiums, death benefit and policy values and otherwise complies with the rule.

ACTUARIAL DOCUMENTS		
Actuarial Memorandum, Demonstration, and Certification of Compliance	31A-17 Part 5 31A-22-408 R590-226-6	Actuarial memorandum, demonstration, and certification comply with the requirements of the rule and applicable law.
Illustration Actuary and Company Officer Certification	R590-177 R590-226-6	Illustration actuary and company officer certification must be included in the filing for any illustrated policy.